

ISSUE DATE: September 9, 1996

DOCKET NO. P-438/EM-96-526

ORDER GRANTING CERTIFICATE OF AUTHORITY TO RESELL LOCAL EXCHANGE  
SERVICE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs  
Marshall Johnson  
Dee Knaak  
Don Storm

Chair  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Petition by POPP Telecom  
Inc. for Authority to Resell Local Exchange  
Telephone Service in Minnesota

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AUTHORITY TO RESELL LOCAL  
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**PROCEDURAL HISTORY**

On May 13, 1996, POPP Telecom Inc. (POPP or the Company) filed a request pursuant to Minn. Stat. § 237.16 for a certificate of authority to provide resale of local services. In supplemental filings dated June 12, June 13, July 3 and July 24, 1996, POPP clarified that it intends to resell Centron services in US WEST's metropolitan exchanges where Centron is available. POPP proposed a price of \$39.90 for each basic local line.

On July 10 and August 5, 1996, the Department of Public Service (the Department) filed comments recommending Commission approval of POPP's request for authority. The Department expressed approval of the Company's filed service area maps and rates. The Department recommended that the certificate be conditioned upon the Company's compliance with local competition rules being developed in Docket No. P-999/R-95-93.

The matter came before the Commission for consideration on August 27, 1996.

**FINDINGS AND CONCLUSIONS**

**I. THE STANDARDS FOR GRANTING A CERTIFICATE OF AUTHORITY**

The statutory standards for Commission approval of an application for authority to provide new service is found at Minn. Stat. § 237.16, subd. 1(b):

No person shall provide telephone service in Minnesota without first obtaining a determination that the person possesses the technical, managerial, and financial resources to provide the proposed telephone services and a certificate of authority from the commission under terms and conditions the commission finds to be consistent with fair and reasonable competition, universal service, the provision of affordable telephone service at a quality consistent with commission rules, and the commission rules.

**II. POPP'S APPLICATION FOR A CERTIFICATE OF AUTHORITY**

## **CONSIDERED UNDER THE STATUTORY STANDARDS**

### **A. The Necessary Technical, Managerial, and Financial Resources**

POPP has been providing long distance service in Minnesota (as well as other states) since 1981.

The Department reviewed POPP's financial, managerial, and technical resources and found no significant concerns. No party disputed the Department's finding.

The Commission agrees with the Department that POPP satisfies the technical, managerial, and financial standards for a grant of authority under Minn. Stat. § 237.16, subd. 1(b). POPP has satisfied the first part of the statutory requirements for certification.

### **B. Other Standards for Certification under Minn. Stat. § 237.16, Subd. 1(b)**

Under Minn. Stat. § 237.16, subd. 1(b), the terms and conditions under which the applicant will be certified must be consistent with fair and reasonable competition, universal service, the provision of affordable telephone service at a quality consistent with commission rules, and the commission's rules. These public interest standards in the second part of the certification statute require analysis of factors which extend beyond the Company's initial application.

Although it is unclear at this time if an interconnection agreement with US WEST is necessary for POPP to resell Centron services, POPP has filed a request for an interconnection agreement with US WEST. Agreements negotiated with providers would impact on the standards for certification mentioned in Minn. Stat. § 237.16, subd. 1(b). The Telecommunications Act of 1996 also requires state commission approval or mediation of network interconnection agreements. The Commission will therefore condition a certificate of authority for POPP upon Commission approval of any future interconnection agreements with US WEST as the underlying Centron provider.

The Company's authority, service offerings, and terms and conditions of service will also be subject to the Commission's local competition rules being developed in Docket No. P-999/R-95-53.

### **C. Conclusion**

The Commission has determined that POPP possesses the requisite managerial, technical, and financial abilities to provide service in Minnesota. The other essential standards under Minn. Stat. § 237.16, subd. 1(b) may be demonstrated through the Company's interconnection arrangements with US WEST. The Commission will therefore grant POPP a certificate of authority to resell Centron service, contingent upon eventual Commission approval of interconnection arrangements, if any, between POPP and US WEST. The Company's authority, service offerings, and conditions of service will be subject to the Commission's local competition rules being developed in Docket No. P-999/R-95-53.

## **ORDER**

1. The Commission grants POPP a conditional certificate of authority to resell Centron service in US WEST's Minneapolis/St. Paul metropolitan exchanges where Centron is available, subject to POPP's compliance with local competition rules being developed in Docket No. P-999/R-95-53 and Commission approval of interconnection arrangements, if any, between POPP and US WEST.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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